



The President's Daily Brief

May 24, 1975 5 Top Secret 25X1 Declassified in Part - Sanitized Copy Approved for Release 2016/07/15 : CIA-RDP79T00936A012600010043-0

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May 24, 1975

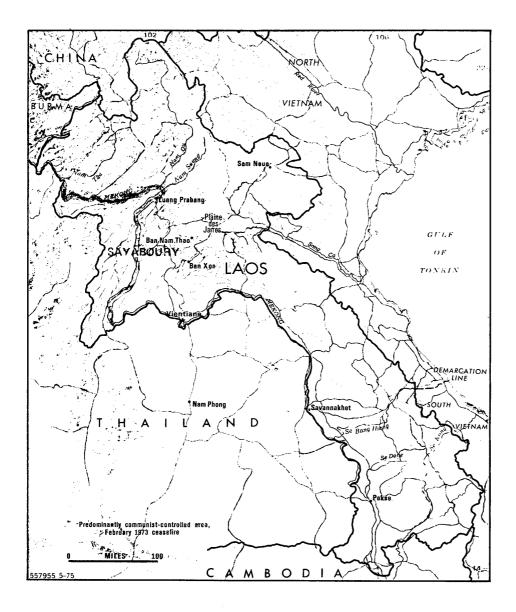
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preparing for a resumption of hostil-

ities against Israel.



LAOS-THAILAND

Students and Pathet Lao troops continue to occupy several AID facilities in and around Vientiane, and communist members of the city's joint military security force are still "guarding" the main entrance to a large American residential compound. The North Vietnamese reportedly are planning to fly some 70 foreign journalists from Saigon to Vientiane today, apparently to get maximum propaganda mileage from the withdrawal of American dependents and other nonessential personnel from Laos.

Some 150 to 200 demonstrators--many reportedly Lao employees of USAID--briefly blocked off the US embassy in Vientiane today. The occupation of the main AID compound by communist-inspired demonstrators has kept many local employees from drawing their pay and this apparently prompted the action at the embassy. At last report about 50 demonstrators remained outside the embassy.

At the insistence of the Lao communists, the coalition government's peace-keeping commission recently agreed that both sides could station combat troops, tanks, and antiaircraft artillery in Vientiane to safeguard the capital's "neutrality." For the non-communist Royal Lao Army, the agreement has no meaning since it is now a leaderless and ineffective force. For the communists, the agreement provides a convenient cover to occupy the city.

Some 6,000 Meo are moving from the Ban Nam Thao area westward toward Sayaboury Province in an effort to join General Vang Pao in northern Thailand. Another 5,000 Meo already in Sayaboury are also heading for the Thai border. According to unconfirmed reports, up to 50,000 additional Meo, who are armed and led by former guerrilla officers, have assembled at Ban Xon, a base formerly held by Vang Pao southwest of the Plaine des Jarres. They have announced that unless Vang Pao returns to northern Laos, they too will leave for Thailand.

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Vang Pao has tried to discourage the migration, but now believes that he is powerless to stop the exodus.

The coalition government in Vientiane is also anxious to stop the Meo from leaving, fearing that their presence along the Thai-Lao border would represent a security threat to Laos. Phoumi Vongvichit, the communist deputy prime minister and foreign minister, has asked the Thai government to expel Vang Pao's forces as well as a group of rightist politicians and generals which, he claims, has set up a Lao government-in-exile in Bangkok.

The presence of prominent self-exiled Lao rightists in Thailand is an embarrassment to Bangkok, but we have no evidence to support Phoumi's allegation that a shadow regime has been formed in the Thai capital. The Thai would almost certainly not countenance such a move.

Thai Deputy Prime Minister and Defense Minister Praman announced yesterday that Bangkok has a "definite" policy of not allowing Lao refugees to remain in Thailand and that those "temporarily" in the north will be sent back when the situation in Laos "returns to normal." Thai Prime Minister Khukrit also told reporters in Bangkok yesterday that Thailand intends to maintain good relations with the Lao coalition, even if the communists gain complete control.

LEBANON

President Franjiyah's appointment yesterday of a predominantly military cabinet was a dramatic attempt to end civil unrest in the country. He likely concluded that no combination of civilian politicians could deal effectively with the deteriorating security situation. Tensions have been rising steadily both between Christians and Muslims and within each group. Radical fedayeen are pushing hard to provoke a major clash that would bring about the destruction of the delicate political and religious compromises on which the Lebanese government is based.

The new prime minister, 76-year-old Brigadier General Nur al-Din Rifai, is known for his authoritarian views Six of the eight members of his government are army officers who apparently will retain their military posts.

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Franjiyah's action will be applauded by rightwing groups, including the large Phalanges Party, which for four days has been engaged in armed clashes with radical fedayeen in a Beirut suburb. The conservative Christian parties have repeatedly called for more forceful action by the government and the armed forces in restricting the activities of Palestinian commandos in Lebanon.

Lebanese leftists and the fedayeen will see the new government as a threat to the continued presence of fedayeen forces in Lebanon. They will be especially upset with the appointment of the army commander in chief as defense minister. The leftists have called for his replacement since the outbreak of fighting between the army and the fedayeen in Sidon last February.

A tenuous cease-fire last night has suspended the fighting between radical fedayeen and the rightist Christian Phalanges Party. PLO Chairman Arafat has attempted to restrain the more radical fedayeen, and has used Fatah forces in the refugee camps to help ensure observance of the cease-fire.

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If the cease-fire collapses and the new government employs regular army troops in an attempt to force a halt to the fighting, even moderate fedayeen leaders will join the fighting.

Arafat has endorsed contingency plans to commit Fatah and Saiqa forces to the fighting if the Lebanese army or the Phalangists attack the refugee camps.

Both the Phalangists and the fedayeen have armed themselves heavily in recent weeks. The Phalangists import arms directly from Europe and receive moresecretly--from the Lebanese army. The fedayeen bring in arms directly from Syria, indirectly from Eastern Europe. Radical fedayeen groups reportedly have distributed arms to Lebanese leftists and bandits.

Agents of Iraq and Libya apparently have distributed considerable amounts of money and weapons to these same people in the hope that they can provoke a major clash between the fedayeen and the army.

Such a clash, in the extreme case, could prompt either Christian or Muslim political groups to seek full control of the government and to withdraw their support for the unwritten political and religious compromise—the 1943 National Covenant—on which the Lebanese government rests. Such a power struggle, in turn, could lead to still more prolonged fighting that would increase the chances that outside states, especially Syria, might intervene.

Damascus would not allow the fedayeen to be defeated militarily or to be driven out of Lebanon as they were from Jordan in 1971.

Any fundamental change in the delicately balanced governing system would be likely to bring to power a leftist, Muslim-dominated regime more sympathetic to the Palestinians.

The greatest potential danger to the major international powers of such fundamental changes in Lebanon is that Tel Aviv might interpret Syrian intervention in Lebanon's domestic affairs as an unacceptable threat to Israel's security and respond in a way that would lead to general hostilities in the Middle East. The Israelis have long been sensitive to any sign that Syria is moving troops or military equipment into Lebanon. They would feel equally threatened by the rise of a prosyrian regime in Beirut.

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PORTUGAL

Leaders of the Portuguese Communist and Socialist parties yesterday began separate talks with members of the ruling Revolutionary Council in an effort to save the political coalition from collapse.

Socialist leader Soares emerged after four hours with military leaders saying that only the future will show whether the meeting had been a success. The Council then began its session with the Communists. The Socialists are due to meet with the Council again next week. The Movement's general assembly may also consider the interparty conflict on Monday.

A settlement depends to a large extent on the Socialists, who have made the closing of their newspaper a test of the military's intentions toward representative government. The Socialists believe that if they do not challenge the government on this issue, their position will deteriorate to the benefit of the Communists. The Socialist challenge is supported by the Popular Democrats and some parties of the extreme left.

The Communists have warned that if the Socialists break up the government coalition there will be no need for the constituent assembly, now scheduled to convene on June 2. The Communist Party's most immediate need, however, is to maintain its influence with the Armed Forces Movement, and it will probably heed the Movement's wishes and negotiate with the Socialists. At the same time, Communist leader Cunhal is preparing for a possible ban on political party activity.

A moderate military officer has told the US embassy in Lisbon that the Movement is divided over the issue of political parties but that slightly more than half the members of the Revolutionary Council favor a multiparty solution. According to the officer, many Movement members resent the Communists' power play in taking over the newspaper.

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NOTES

Thai Prime Minister Khukrit reportedly wants to formalize Thailand's relationship with China before establishing relations with North Vietnam, apparently hoping thus to gain Peking's help in restricting North Vietnamese influence in Southeast Asia.

Senior Thai government officials, however, are concerned that Foreign Minister Chatchai, if presented with the opportunity during the current round of talks with the North Vietnamese, may upset this timetable and make a commitment that Bangkok would have trouble backing out of without offending Hanoi. Chatchai is not under Khukrit's firm control and may indeed be capable of committing the government without prior cabinet-level review.

Portugal is concerned about the activities of separatists in the Azores, some of whom plan to announce in the US a government-in-exile.

A reliable source has told the US embassy in Lisbon of the planned announcement, which apparently is authorized by the Azorean Liberation Front. Another source claiming to be a member of a separatist group in the Azores told the US consul there that the group's primary goal is to force Lisbon to hold a referendum on Azorean independence. Portugal has demonstrated its concern about the growth of separatist activity on the islands by setting up patrols and roadblocks this week in the capital of the main island. Portuguese ships have been unloading military supplies, including trucks and jeeps, suggesting that more security forces may be arriving soon.

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China will send a group of technicians to the US in June to visit several major manufacturers of telecommunications equipment.

This is the latest in a series of contacts Peking has made with US companies in this field. It has invited a group of US manufacturers, primarily representing telecommunications firms, to visit China in July. The Chinese are mainly interested in learning how to operate and maintain high-capacity systems such as those for microwave radio relay, coaxial cables, and communications satellites. They probably will require large-scale imports of equipment

ANNEX

THE QUESTION OF WAR OR PEACE IN THE MIDDLE EAST

A number of recent developments has made the prospect of war in the Middle East seem to recede. It is none-theless possible that Egypt and Syria-and perhaps Jordan as well--are putting up an elaborate smokescreen of ostensible disagreements and distractions in order to hide preparations for a resumption of hostilities. What follows is an examination of the evidence that serious Arab planning for renewed warfare may be under way.

Egypt's decision to reopen the Suez Canal on June 5, its extension of the UN mandate in the Sinai Peninsula until late July, and President Sadat's expressions of sustained faith in US willingness and ability to continue mediatory efforts added to a feeling that the Egyptians have not yet despaired of negotiations.

Syria's decision to extend the UN mandate on the Golan Heights for a full six months, its willingness to be distracted to problems involving Iraq on its eastern border, and reports of persistent Syrian-Egyptian disagreements have reinforced the belief that Syria is not ready to open a one-front war and not able to persuade the Egyptians to fight on a second front.

fore given them credit.

All of this tends to detract from the possibility that the Arabs are proceeding with plans for a resumption of hostilities. Such planning, would not be inconsistent with a continued desire to pursue negotiations, but it would be a token of greater readiness on the part of the Arabs for joint military action than we have hereto-

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after the breakdown in March of Egyptian-Israeli disengage-ment talks, President Sadat ordered preparations made for a resumption of warfare between May 20 and 24, but later postponed executing the plan in antic-	25X1
ipation of a new US diplomatic initiative.	25X1 25X1
The war would be fought on three frontsthe Sinai, Syria, and Jordanand Iraqi and Saudi Arabian troops would allegedly join in. In the Sinai, the objective was to seize and hold the line of the Gidi and Mitla passes and to consolidate positions in the valley	25X1 25X1
just east of the passes.	25X1 25X1
Coordination of this joint war planning was reportedly begun during trips to several Arab countries, and Sadat followed up with President Asad at a meeting in Saudi Arabia	25X1 25X1 25X1
to postpone the planned hostilities because of what assumed was a new indication that the US would un-	25X1 25X1
dertake a diplomatic initiative.	25X1 25X1
It was at this time that plans for your meet- ing with Sadat at Salzburg on June 1 were put into final shape, and Sadat may have decided to await the outcome of that meeting before going through with any offensive plans. Sadat	25 X 1
is convinced that military action must be undertaken at some point if diplomatic efforts fail.	

The War Option

It is not difficult to build a case for Egyptian willingness to resume hostilities, despite compelling reasons—of which the Egyptians themselves are not unaware—why military action would be distinctly disadvantageous.

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--The Egyptians seem to have written off the hope that the Israelis intend, or can be easily pressured, to make the territorial concessions Egypt considers necessary for further progress toward a final settlement.

--The Egyptians are concerned that the US will slacken its efforts to achieve a solution--either because of unwillingness to press Israel before the 1976 presidential election or because of an inability to resist US Congressional support for Israel. They will be disheartened by the letter sent to you this week by 76 US Senators urging continued aid to Israel.

--The Egyptians are visibly worried that the US has been engaged for two months in a policy reassessment that has as yet reached no conclusion, and they fear that the delay may signify no change in the US attitude toward Israel.

Sadat has made it clear in repeated public statements since March that he will ask at Salzburg for the answer to a question that goes to the heart of the US attitude, as the Egyptians interpret it, toward the Arab-Israeli dispute. He will ask whether the US commitment to Israel involves protection for Israel within its 1967 borders or within the occupied Arab territories.

Sadat has given no indication that he will be satisfied to leave Salzburg without an answer to this question. While he has said he will go to Geneva in any case, he has also said that if Geneva fails, war will be the Arabs' only recourse.

With little hope for success at Geneva, he may have come to equate repeated postponement of the conference with foreordained failure and taken this as a signal to review Egypt's war option.

Egypt and Syria

In this situation, it is entirely possible that Egypt and Syria have no serious disagreement and that they have indeed been involved in secret joint military planning for the last two months.

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The reports of continued disagreement between Sadat and Asad that emerged from Damascus after Sadat's visit there last weekend could be attributed not to differences over negotiating strategy, as has been assumed, but to differences over the timing of planned military action.

Asad's cool reception of Sadat may have been simply because he wanted to stick with the original deadline of May 20-24 rather than go along with a decision to wait until after the Salzburg meeting.

A Role for Jordan

To a much greater extent than was true in 1973, or even a few months ago, Jordan's role must now be taken into account in any discussion of military planning among the Arabs. Jordan's recent reinforcement of military units facing Israel, its increased cooperation with Syria over the last two months, and King Husayn's series of militant speeches to Jordanian troops last month all indicate that Jordan expects to be involved in any future round of hostilities.

Husayn has frequently expressed concern that, in the event of war, Israel would use northern Jordan to attack Syria. To the extent they offer us explanations at all, Jordan justified their recent moves as defensive precautions against just such a contingency.

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It is conceivable, however, that Jordan has

been involved in offensive planning with Syria and Egypt, as was not the case in 1973, and that Sadat and Husayn discussed military strategy during Sadat's visit to Amman last weekend. It is more likely, in the worst case context, that Husayn is being roped in again under the guise of defensive contingency planning.	5
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Asad's last statement raises again the puzzling case of the one-sided Syrian-Iraqi dispute	25X1 25X1
Syria has cut the Euphrates water flow to Iraq, refused all terms for mediation of that problem, pushed the quarrel to the point of a break in relations, and ostentatiously moved large military forces toward Iraq, but permitted Iraqi trucks to transit Syria for the delivery of Soviet military goods consigned to Baghdad through Syrian ports.	25 X 1
One can wonder whether Syria's pursuit of the quarrel has not been an elaborate deception to build	25 X 1
an assumption that Syria would not launch an offen- sive in the west while dealing with an enemy to the east. Fixing One Point	
It is not, however, necessary to credit the Arabs with complex deception schemes in order to conclude that they are preparing contingency offensive plans.	25 X 1
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Sadat planned and then postponed an offensive after disengagement talks broke down is consistent with other indications that he ordered the military to be ready for action if necessary on a given date and subsequently decided against a move for political reasons.

A postponement would demonstrate, in fact, that Sadat is not anxious to use the military option and welcomes diplomatic initiatives as a means of delaying a decision to fight and, more important, as a means of achieving progress in negotiations. The problem lies in fixing the point at which Sadat gives up hope in the diplomatic track and stops postponing his decision to go to war.

Although it is still uncertain when in 1973 the Egyptians and Syrians set October 6 as the kickoff date, there are many indications that the war was set originally for April, was postponed while the UN Security Council debated the Middle East question, was reset for June, and was put off again while the UN debate continued and the US-Soviet summit convened in Washington. But Sadat did ultimately despair of diplomacy and gave the go-ahead for war.

It is, in short, entirely possible that Sadat and his war minister have plans to reopen hostilities if the diplomatic option fails and that they have coordinated military strategy with the Syrians.

Sadat will be looking for hopeful signs at Salzburg. If he receives no satisfaction there, he would not necessarily open hostilities immediately, but the possibility cannot be ruled out that he would move soon after his return.